

# City of Springfield, Missouri



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## Comprehensive Annual Financial Report

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For The Year Ended  
June 30, 2002

# **CITY OF SPRINGFIELD, MISSOURI**

## **Comprehensive Annual Financial Report**

**For the Year Ended June 30, 2002**

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**Prepared by the Department of Finance**

**Mary Mannix  
Acting Director of Finance**

**David Holtmann, CPA  
Accounting Manager**

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# CITY OF SPRINGFIELD, MISSOURI

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## Introductory Section

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**CITY OF SPRINGFIELD, MISSOURI**  
Comprehensive Annual Financial Report  
Fiscal Year July 1, 2001 through June 30, 2002

**Mayor**

*Thomas J. Carlson*

**City Council**

*Denny Whayne  
Sheila O. Wright  
Ralph K. Manley  
John D. Wylie  
Mary Collette  
Gary W. Gibson\*  
Teri Hacker  
Robert Chancellor*

*Zone 1  
Zone 2  
Zone 3  
Zone 4  
General (A)  
General (B)  
General (C)  
General (D)*

**City Officials**

*Thomas W. Finnie  
Bob Cumley*

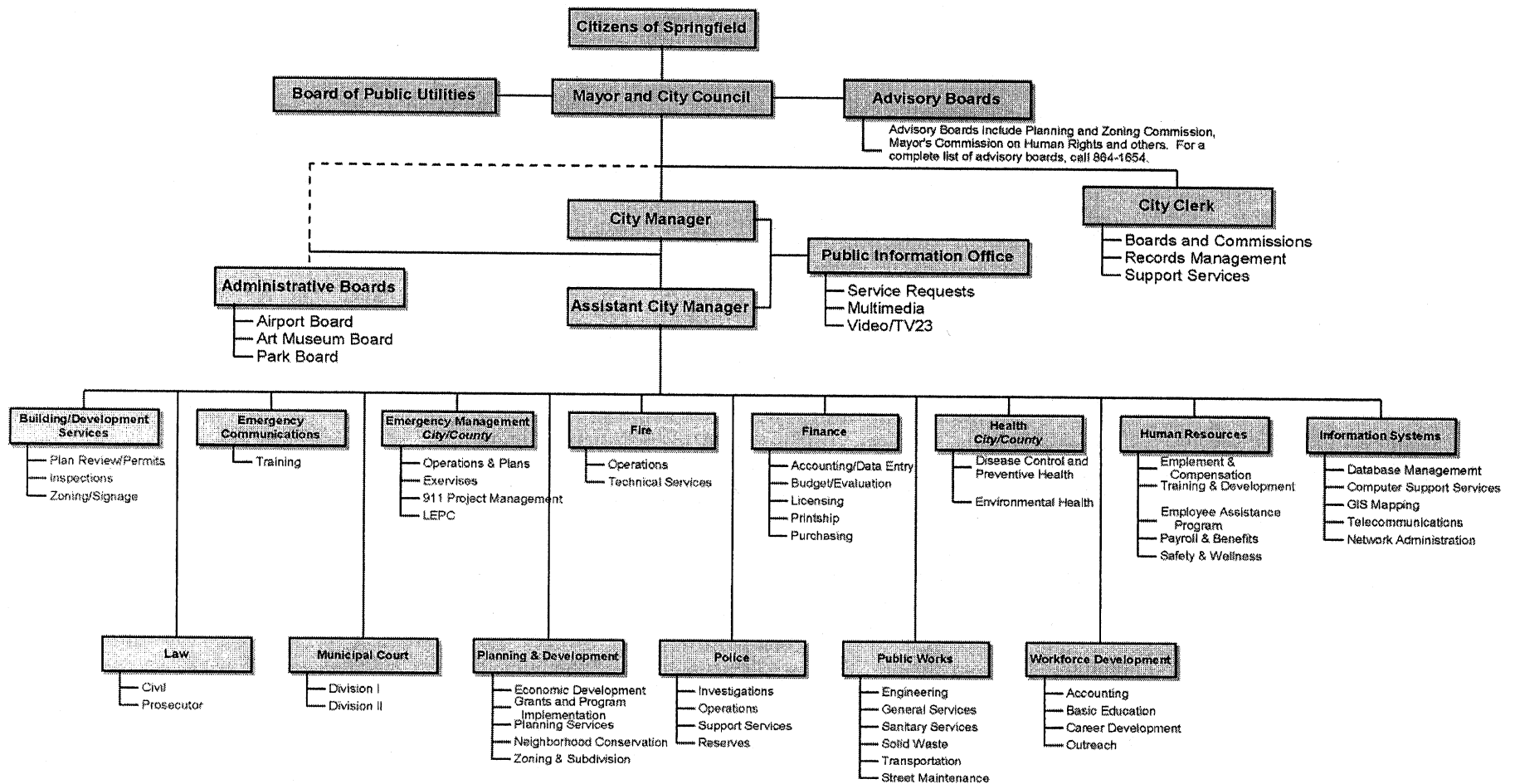
*City Manager  
Assistant City Manager*

*Howard C. Wright  
Brenda Cirtin  
Marc Thornsberry  
Harold Bengsch  
Fred Fantauzzi  
Mary Mannix  
Lynn S. Rowe  
Dan Whilser  
Dan Kinney  
Sheila Maerz  
Fred May  
Robert D. Hancik  
Robert E. Simpson  
Nick Heatherly  
Todd Thornhill  
Jerry Berger  
Becky Jungmann  
Evelyn Honea*

*City Attorney  
City Clerk  
Director of Public Works  
Director of Public Health and Welfare  
Director of Finance  
Acting Director of Finance  
Chief of Police  
Fire Chief  
Director of Parks and Recreation  
Director of Human Resources  
Director of Planning and Development  
Director of Aviation  
Director of Work Force Development  
Director of Building Development  
Chief Municipal Judge  
Director of Art Museum  
Director of Emergency Communication  
Director of Information Systems*

*\* Conrad Griggs replaced Gary Gibson upon his death*

# City Government's Organization Chart



Note: All Departments include an administrative section.

February 25, 2003

**Honorable Mayor  
Members of the City Council  
Citizens of the City of Springfield, Missouri**

The Finance Department is pleased to present the Comprehensive Annual Finance Report for the City of Springfield, Missouri, for fiscal year ended June 30, 2002. This report is submitted to you in compliance with the City Charter, Section 5.2 which requires an annual report to the City Council on the financial condition of the City.

Responsibility to report financial data that is complete and accurate rests with the City. It is our belief that the information reported in this document fairly presents the financial position of the City in all material aspects, on a Government-wide and a Fund basis. To enhance the reader's understanding of these financial statements, note disclosures have been included as an integral part of this document.

To ensure reliability of the accounting data upon which the City's financial statements are based, internal controls are utilized to provide reasonable assurance that transactions are accounted for properly and City assets are safeguarded. Additionally, the Finance Department staff has prepared this report in conformity with accounting principles generally accepted in the United States of America (GAAP) which are standard guidelines for financial reporting, further ensuring that the financial position of the City is presented fairly.

The independent auditing firm of KPMG LLP has audited the City of Springfield's financial statements. The purpose of the audit conducted by KPMG was to review and provide reasonable assurance that the City's financial statements for fiscal year ended June 30, 2002, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the government-wide and fund financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

In addition to the independent audit of the financial statements, a separate, federally mandated "Single Audit" was performed to meet the needs of specific grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls over compliance and compliance with legal requirements applicable to certain federal awards. These reports are available in the City of Springfield's separately issued Single Audit Report.

This Comprehensive Annual Financial Report (CAFR) reflects the changes required by the Government Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. The format and a description of these reports are addressed in the Management's Discussion and Analysis (MD&A) and in the notes to the financial statements.



The CAFR is presented in three sections: introductory, financial and statistical. The *introductory section* is designed to introduce the reader to the report and includes this transmittal letter, the City's organizational chart, a list of principal officials, and the GFOA (Government Finance Officers Association) Certificate of Achievement for Excellence in Financial Reporting for the 2001 CAFR.

The *financial section* begins with the independent auditors' report. The auditors' report discloses the opinion of the independent auditors with regard to the presentation of the financial statements. This section also includes Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide information on the City's financial position and operating results, the Combining Statement for nonmajor funds and other schedules that provide detailed information relative to the Basic Financial Statements.

The *statistical section* includes selected financial and demographic information, generally presented on a multi-year basis. This section is designed to provide the user with a broader and more complete understanding of the City and its financial affairs than is possible from only the financial statements and supporting schedules presented in the financial section.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Springfield's MD&A can be found in the Financial Section, immediately following the report of the independent auditors.

### *Profile of the City*

The City of Springfield is a home rule city which was incorporated on February 18, 1838. Springfield is the third largest city in Missouri with approximately 155,208 residents and serves as the county seat for Greene County. With an estimated 75 square miles of land, the City of Springfield is at the center of a rapidly growing region in the southwestern corner of the state, approximately 170 miles south of Kansas City and 200 miles southwest of St. Louis. The City is empowered to levy property taxes on both real and personal property located within its boundaries and has the authority to extend its corporate limits through annexation, when deemed appropriate and as approved by City Council.

The City has operated under the Council-Manager form of government since March 17, 1953. As the legislative body, the City Council is responsible for enacting all ordinances, resolutions and regulations governing the City, as well as for appointing the members of various statutory and ordinance boards, the City Manager and the City Clerk.

The City Council consists of the Mayor and eight Council members, who are elected on a nonpartisan basis. The Mayor serves a two-year term and Council members, four at-large and one from each of four zones within the City, each serve staggered four-year terms. As chief administrator, the City Manager is responsible for enforcement of the laws and ordinances, as well as the supervision of all offices and departments created by Council.

The City of Springfield provides the full range of services normally associated with a municipality, including police and fire protection, emergency communication center, public works services, public health services, parks and other recreational facilities, an art museum and general administrative services. The City also operates the Springfield-Branson Regional Airport, the sanitary sewerage and solid waste disposal systems, and the City's municipal golf courses, all of which are accounted for in the financial statements as business-type funds.

This report presents data for the financial reporting entity, which includes all departments, funds, boards and commissions of the primary government (the City, as legally defined), as well as all of its component units. Component units are legally separate entities for which the City is financially accountable. The two component units of the City include the Public Building Corporation (PBC) which is a blended component unit and City Utilities of Springfield, Missouri which is a discretely presented component unit. The financial reporting entity is discussed further in Note 1 to the financial statements.

The Springfield R-12 School District and the Springfield Housing Authority do not meet the criteria for inclusion in the financial reporting entity and, accordingly, are not presented in this report.

The annual budget serves as the foundation for the City of Springfield's financial planning and control. During the budget preparation process, each office, department, and agency of the reporting entity provides detailed estimates of revenue and expenditures for evaluation by the City Manager. The City Manager also reviews estimates of all pending capital projects and those recommended for approval in the next budget year and within the succeeding five years. The City Manager may revise the estimates, as he deems necessary. At least 60 days prior to the beginning of each budget year, the City Manager submits to City Council a final budget. The budget is prepared by fund, function (e.g. public safety), and department (e.g. police). Department heads may make transfers of appropriations within their departments. However, transfers between departments require the special approval of the City Council. Budget-to-actual comparisons for the General and Special Revenue Funds are provided in this report.

### ***Factors Affecting Financial Condition***

**Local economy**—The City of Springfield has felt the impact of the recent economic slow-down, but is continuing to experience moderate growth and expansion. Springfield's economy is highly diversified, with major industrial, medical, manufacturing and educational institutions, keeping the City's unemployment rate below the state and national averages. The average unemployment rate for 2002 for the metropolitan area was 3.9% as compared to the state average of 5% and the national average of 5.8%.

Springfield is home to the operations of several large companies such as: Kraft Foods; 3M Company – Adhesive, Coatings and Sealers Division; Bass Pro Shops; MCI WorldCom; Northrop Grumman Interconnect Technologies; Springfield Remanufacturing Corporation; General Electric; Reckitt Benckiser; Bank One and Sweetheart Cup. Springfield has what many businesses are looking for – a high quality of life, a well-trained workforce and low cost of living.

Southwest Missouri State University, with an enrollment of approximately 18,468 students, is located in Springfield, along with four private higher learning institutions – Drury University, Evangel University, Baptist Bible College, and Central Bible College. In addition, Ozarks Technical Community College provides vocational and technical training services to over 7,500 students within the eight-county region surrounding the City.

**Long-term financial planning**—The City of Springfield utilizes a five-year capital improvement program to prioritize public projects which will be scheduled over a number of years as financial resources are available. When possible, the City looks for creative funding solutions such as cost sharing with other governmental agencies, public-private cooperative efforts, special purpose taxes, and modifications to development regulations as methods of providing needed capital items. The underlying philosophy of the capital improvements program prioritizes needs into three categories: (1) the protection of life, health, and public safety; (2) improvements to the City's existing infrastructure; and (3) construction of new infrastructure to keep up with the community's growth.

Currently, the City is using funds from the property tax levy to establish a new fire station with new fire equipment as well as continuing construction of stormwater projects. The funding capacity of the existing levy will ensure that storm sewer projects continue for the next five years.

Other significant capital development includes Jordan Valley Park. This downtown revitalization project is a public-private partnership in which private investment is encouraged as the City develops the infrastructure. With the park's green space and recreational ice facility complete, the City is focusing on the completion of an arena, parking deck, and exposition center in the next four years. The City does not anticipate any impact to operating funds since this project is being funded with a designated portion of the Hotel/Motel Tax.

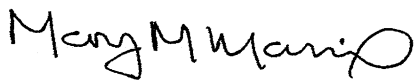
**Cash management policies and practices**—The primary objectives of the City investment activities encompass safety, liquidity and yield. Investments are undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio, in order to minimize credit risk and interest rate risk. To maximize investment earnings, the City consolidates cash balances of all funds except for certain restricted and special funds. Since falling interest rates have negatively impacted the City, current investing practices involve short-term investments with maturities of two years or less, with the anticipation that rates will recover in the near future.

**Risk management**—The City maintains a variety of general liability insurance policies, some of which are self-insured by the City. As a matter of policy, the boards of directors for the Airport, Parks Department, Art Museum and Missouri Career Center have required general liability coverage specific to their needs and thus the City has transferred these areas of risk to external insurance companies. To minimize risk of loss, the City employs a Safety Coordinator and a Safety Committee, which is made up of representatives from each of the operating departments. Risk issues are addressed in a proactive manner by providing specific training which will minimize or prevent risk exposure.

#### ***Awards and acknowledgements***

Our appreciation is extended to the various elected officials, agency and department directors, as well as employees, responsible for contributing to the sound financial condition of the City. Furthermore, the preparation of this report would not have been possible without the efficient and dedicated services of several members of the Finance Department. In particular, we would like to express appreciation to David Holtmann, Accounting Manager, and Financial Analysts, Glenda Hudson and Martha Mundt for their unfailing efforts in implementing GASB 34 and production of this report.

Sincerely,



Mary M. Mannix  
Acting Director of Finance

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Springfield,  
Missouri

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Timothy A. Brown*  
President

*Jeffrey L. Essler*  
Executive Director

## Financial Section

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## Independent Auditors' Report

**The Honorable Mayor and Members  
of the City Council  
City of Springfield, Missouri:**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Springfield, Missouri (the City), as of and for the year ended June 30, 2002, which collectively comprise the City's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Springfield, Missouri as of June 30, 2002 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the basic financial statements, the City adopted the provisions of the Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*; Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*; Statement No. 38, *Certain Financial Statement Note Disclosures*; and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, during the year ended June 30, 2002.

The management's discussion and analysis, budgetary comparison information and schedules of funding progress and employer contributions on pages 10 through 16 and 71 through 72, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the City of Springfield's basic financial statements. The introductory section, supplementary information, and statistical section are presented for purposes of additional analysis and are not a required

part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued a report, dated October 11, 2002, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with this report in considering the results of our audit.

/s/ KPMG LLP

October 11, 2002

## MANAGEMENT DISCUSSION AND ANALYSIS

As management of the City of Springfield, Missouri, we offer readers this narrative overview and analysis of the financial activities of the City of Springfield, Missouri, for the fiscal year ended June 30, 2002. Since this is the first year of reporting in conformance with the Governmental Accounting Standards Board's (GASB) Statement No. 34, comparative information for the previous fiscal year is not being provided. We encourage readers to consider the information presented here in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

### ***Financial Highlights***

- The assets of the City of Springfield exceeded its liabilities at the close of the most recent fiscal year by \$409,550,269 (net assets). Of this amount, \$117,808,803 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased over \$36 million. Of this amount, \$15.6 million was from the City's "governmental activities" and the balance was from the "business-type activities."
- The City's total debt increased approximately \$15.7 million (7.3 percent) during the current fiscal year. The key factor in this increase was the issuance of \$25.7 million in governmental activity bonds.

### ***Overview of the Financial Statements***

This discussion and analysis is provided as an introduction to the basic financial statements. The basic financial statements consist of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

***Government-wide financial statements.*** The *government-wide financial statements* are a broad overview of the City's finances in a manner similar to a private business.

The *statement of net assets* presents all of the City's assets and liabilities with the difference between the two reported as *net assets*. Net assets are an important measure of the City's overall financial health. The increases and decreases in net assets can be monitored to determine whether the City's financial positions are improving or deteriorating.

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flow. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements report functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities for the City included general government, public works, public safety, parks and recreation, public health, and planning and development. The business-type activities for the City include the airport, sanitary sewerage system, refuse disposal and golf.



**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure compliance with finance-related legal requirements. These funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, reader may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

**Proprietary funds.** The City uses two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its service center, print shop and self-insurance (health insurance) activities. Because these services predominately benefit governmental rather than business-type functions, they have been included within the *governmental activities* in the government-wide financial statements.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also contains certain *required supplementary information* regarding budgetary and pension information. The combining statements for the non-major funds and internal service funds are presented immediately following the required supplementary information on pensions.

### ***Government-wide Financial Analysis***

In accordance with GASB Statement No. 34, the City is not required to restate prior periods for the purpose of providing comparative information. However, comparative analysis of government-wide information will be presented in future years when prior year information is available.

## NET ASSETS

The following table reflects the condensed Statement of Net Assets as of June 30, 2002:

### City of Springfield net assets

	<b>Governmental activities</b>	<b>Business-type activities</b>	<b>Total</b>
Current and other assets	\$ 164,475,500	90,750,675	255,226,175
Capital assets	<u>137,560,747</u>	<u>274,511,570</u>	<u>412,072,317</u>
Total assets	302,036,247	365,262,245	667,298,492
Long-term liabilities outstanding	128,978,585	102,014,408	230,992,993
Other liabilities	<u>21,774,419</u>	<u>4,980,811</u>	<u>26,755,230</u>
Total liabilities	150,753,004	106,995,219	257,748,223
Net assets:			
Investment in capital assets, net of debt	49,803,776	188,496,203	238,299,979
Restricted	7,099,381	46,342,106	53,441,487
Unrestricted	<u>94,380,086</u>	<u>23,428,717</u>	<u>117,808,803</u>
Total net assets	<u>\$ 151,283,243</u>	<u>258,267,026</u>	<u>409,550,269</u>

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The City's combined net assets increased to \$409.6 million from \$372.8 million as a result of the increase in net assets reflected in the next table. The City's unrestricted net assets for governmental activities were \$94.4 million. (Assets for roads, bridges and other governmental infrastructure assets acquired and completed in prior fiscal years are not included at this time. The City will be including infrastructure assets acquired and completed in prior fiscal years in response to GASB Statement No. 34 in the future fiscal years. Total unrestricted net assets were \$23.4 million with the business-type activities.

### *Change in Net Assets*

The following table reflects the revenues and expenses from the City's activities for the year ended June 30, 2002:

#### **City of Springfield changes in net assets**

	<b>Governmental activities</b>	<b>Business-type activities</b>	<b>Total</b>
Revenues:			
Program revenues:			
Charges for services	\$ 6,544,325	34,294,088	40,838,413
Operating grants and contributions	12,879,224	—	12,879,224
Capital grants and contributions	1,710,649	20,100,934	21,811,583
General revenues:			—
Property taxes	8,388,780	—	8,388,780
Sales and use taxes	68,821,730	—	68,821,730
Other revenue	26,275,487	8,598,349	34,873,836
Total revenues	<u>124,620,195</u>	<u>62,993,371</u>	<u>187,613,566</u>
Expenses:			
Public works	17,632,822	—	17,632,822
Public safety	46,642,300	—	46,642,300
Parks and recreation	13,195,378	—	13,195,378
Planning and development	3,960,801	—	3,960,801
Public health	7,019,196	—	7,019,196
General government	15,438,654	—	15,438,654
Interest on long-term debt	6,091,779	—	6,091,779
Airport	—	10,743,883	10,743,883
Sanitary sewerage system	—	23,014,259	23,014,259
Refuse disposal	—	4,281,482	4,281,482
Golf	—	2,799,059	2,799,059
Total expenses	<u>109,980,930</u>	<u>40,838,683</u>	<u>150,819,613</u>
Increases in net assets before transfers	14,639,265	22,154,688	36,793,953
Transfers	1,000,176	(1,000,176)	—
Increase (decrease) in net assets	15,639,441	21,154,512	36,793,953
Net assets, beginning	135,643,802	237,112,514	372,756,316
Net assets, ending	<u>\$ 151,283,243</u>	<u>258,267,026</u>	<u>409,550,269</u>

### ***Governmental Activities***

Governmental activities increased the City's net assets by \$15.6 million. Sales and use taxes, the largest governmental category, were \$68.8 million or 54.8%. For the fiscal year ended June 30, 2002, revenues totaled \$187.7 million (governmental and business-type). Revenues from governmental activities total \$124.6 million or 66.4% of the total City revenues.

Certain revenues are generated that are specific to governmental program activity. These totaled \$21,134,198. The following table shows expenses and program revenues of the governmental activities for the year ended June 30, 2002:

#### **Net cost of City of Springfield's governmental activities**

	<b>Total costs of services</b>	<b>Net costs of services</b>
Public works	\$ 17,632,822	16,560,341
Public safety	46,642,300	44,677,088
Parks and recreation	13,195,378	9,857,008
Planning and development	3,960,801	160,679
Public health	7,019,196	4,695,648
General government	15,438,654	6,804,189
Interest on long-term debt	6,091,779	6,091,779
Total	<u>\$ 109,980,930</u>	<u>88,846,732</u>

As previously noted, expenses from governmental activities total \$110.0 million. However, net costs of these services were \$88.9 million. The difference represents direct revenues received from charges for services of \$6.5 million, operating grants and contributions of \$12.9 million, and capital grants and contributions of \$1.7 million. Taxes and other revenues of \$103.5 million were collected to cover these net costs.

### ***Business-type Activities***

Business-type activities increased the City's net assets by \$21.1 million. Key elements of this increase are as follows:

- The airport recorded an increase of \$14.4 million in net assets for the year which is attributed to federal grants received for capital improvement projects.
- The sewer system recorded an increase of \$7.1 million in net assets for the year which is attributed to contributions and grants for capital improvement projects.

### ***Financial Analysis of the City's Funds***

As of the end of the current fiscal year, the City's governmental funds report a combined fund balance of \$119.5 million. The fund balance of the General Fund decreased \$2.0 million during the fiscal year. While this decrease represents a 13.4 % decrease in fund balance from the previous year, the City experienced no growth in sales tax and adjusted spending throughout the year to limit the impact on the City's General Fund balance. Despite the economic slow-down, the City met its budget policy by maintaining an operating reserve in excess of the 8-10% requirement.

### ***General Fund Budgetary Highlights***

Differences between the original and the final amended budget can be summarized as follows:

- The original revenue budget of \$58,664,000 was increased to \$58,677,000 (an increase of \$13,000).
- The total original expenditure budget of \$56,318,000 increased to \$56,414,000 (an increase of \$96,000).
- The total original budget for other financing uses of \$3,756,000 increased to \$4,715,000.

Actual revenues were \$3,140,000 less than budgeted. Sales tax revenue was \$1,766,000 less than budgeted as a result of a general economic decline. Revenue from interest earned on investments was \$824,000 less than anticipated.

The public safety budget increased \$394,000 and the public works budget increased \$128,000. Appropriations totaling \$425,000 were allocated from general government and planning and development services to fund unanticipated operating expenses in public safety and public works. The remaining increase of \$97,000 was appropriated from the undesignated fund balance.

The budget for other financing sources increased when designated reserves were appropriated for an enterprise resource planning system.

### ***Capital Asset and Debt Administration***

#### ***Capital Assets***

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2002, amounts to \$412,072,317 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, collections systems, machinery and equipment, and infrastructure. Reporting of the City's major infrastructure assets extends only to the assets which were completed in the current year, in which prior year costs for such projects were included. The City will be including the remaining infrastructure assets acquired in prior fiscal years in response to GASB Statement No. 34. Capital assets increased \$115 million during the period.

Major capital events during the current fiscal year included the following:

- Continued progress in the Jordan Valley Park Project totaling over \$6,000,000.
- Continued progress in the construction of additional runway capacity at the regional airport totaling over \$7,600,000.
- Continued progress in the storm sewer projects totaling over \$4,000,000 and \$2,500,000 in new fire station improvements.

**City of Springfield Capital Assets**  
(amounts expressed in thousands, net of depreciation)

		Governmental Activities		Business-type Activities		Total	
		2002	2001	2002	2001	2002	2001
Land	\$	22,588	6,947	10,767	8,777	33,355	15,724
Construction in progress		35,861	—	39,295	29,638	75,156	29,638
Buildings		21,149	10,158	47,502	39,809	68,651	49,967
Improvements		5,106	4,858	39,087	40,436	44,193	45,294
Machinery and Equipment		9,394	6,087	6,732	4,165	16,126	10,252
Infrastructure		43,463	26,972	131,129	119,107	174,592	146,079
Total	\$	137,561	55,022	274,512	241,932	412,073	296,954

***Debt Administration***

The City, at the end of fiscal 2002, had a total of \$202 million of outstanding obligations. This was an increase of \$15 million or 8% from the previous year.

The additional obligations incurred during the fiscal year were not general obligations of the City. The increase in obligations for the governmental activities funds is for debt issued to finance projects that are subject to annual appropriations by the City Council.

**City of Springfield Outstanding Debt**  
(amounts expressed in thousands)

		Governmental Activities		Business-type Activities		Total	
		2002	2001	2002	2001	2002	2001
General obligation bonds**	\$	111,405	91,398	—	—	111,405	91,398
Revenue Bonds		—	—	40,071	42,835	40,071	42,835
Notes payable		4,000	—	45,944	53,068	49,944	53,068
Capital lease obligations		529	—	—	—	529	—
Total	\$	115,934	91,398	86,015	95,903	201,949	187,301

\*\* - including Public Building Corporation bonds and Certificates of Participation

***Requests for Information***

This financial report is designed to provide the reader a general overview of the City's finances. Questions or requests for more information concerning any of the information provided in this report should be directed to David Holtmann, Accounting Manager, Finance Department, City of Springfield, PO Box 8368, 840 Boonville Avenue, Springfield, MO 65801.

**CITY OF SPRINGFIELD, MISSOURI**

Statement of Net Assets

June 30, 2002

Assets	Primary government			Component unit City Utilities
	Governmental activities	Business-type activities	Total	
Cash and investments	\$ 116,741,424	38,184,793	154,926,217	167,126,000
Property taxes	12,592,147	—	12,592,147	—
Special assessments receivable	1,214,387	—	1,214,387	—
Accounts receivable	1,865,789	3,065,383	4,931,172	28,206,000
Accrued interest receivable	721,848	480,495	1,202,343	—
Inventories	1,284,596	1,316,272	2,600,868	27,377,000
Notes and loans receivable, net	19,191,104	—	19,191,104	—
Prepaid pension assets and expenses	—	40,115	40,115	16,415,000
Internal balances	1,239,671	(1,239,671)	—	—
Due from other government agencies	2,216,519	35,424	2,251,943	—
Restricted assets:				
Cash and cash equivalents	7,099,381	45,262,715	52,362,096	50,916,000
Other	—	3,525,959	3,525,959	—
Other	308,634	79,190	387,824	7,809,000
Capital assets:				
Non depreciable	58,448,781	50,061,787	108,510,568	69,099,000
Depreciable, net	79,111,966	224,449,783	303,561,749	580,012,000
Total assets	<u>302,036,247</u>	<u>365,262,245</u>	<u>667,298,492</u>	<u>946,960,000</u>
<b>Liabilities</b>				
Accounts payable and other current liabilities	6,171,315	1,075,283	7,246,598	18,907,000
Deferred revenue	7,212,938	142,688	7,355,626	—
Estimated liability for incurred but unreported claims	3,300,000	—	3,300,000	—
Other liabilities	4,100,000	—	4,100,000	10,462,000
Due to other governments	1,265,033	—	1,265,033	2,094,000
Utility customer deposits	—	—	—	2,023,000
Current liabilities payable from restricted assets	—	3,762,840	3,762,840	—
Noncurrent liabilities:				
Accrued claims and judgments	909,500	30,000	939,500	—
Accrued compensated absences	11,859,704	1,638,196	13,497,900	692,000
Accrued landfill closure/postclosure care costs	—	14,330,845	14,330,845	—
Bonds payable, net	111,405,152	49,864,495	161,269,647	168,792,000
Other long-term obligations	4,529,362	36,150,872	40,680,234	17,736,000
Total liabilities	<u>150,753,004</u>	<u>106,995,219</u>	<u>257,748,223</u>	<u>220,706,000</u>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	49,803,776	188,496,203	238,299,979	511,009,000
Restricted for:				
Debt service	7,099,381	45,025,834	52,125,215	60,383,000
Other	—	1,316,272	1,316,272	—
Unrestricted	<u>94,380,086</u>	<u>23,428,717</u>	<u>117,808,803</u>	<u>154,862,000</u>
Total net assets	<u>\$ 151,283,243</u>	<u>258,267,026</u>	<u>409,550,269</u>	<u>726,254,000</u>

See accompanying notes to basic financial statements.

**CITY OF SPRINGFIELD, MISSOURI**

Statement of Activities

Year ended June 30, 2002

					Net (expenses) revenues and changes in net assets			
Functions/Programs	Expenses	Program revenues			Primary government			Component unit City Utilities
		Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities	Total	
Primary government:								
Governmental activities:								
Public works	\$ 17,632,822	367,786	160,000	544,695	(16,560,341)	—	(16,560,341)	—
Public safety	46,642,300	477,403	583,056	904,753	(44,677,088)	—	(44,677,088)	—
Parks and recreation	13,195,378	3,071,569	5,600	261,201	(9,857,008)	—	(9,857,008)	—
Planning and development	3,960,801	—	3,800,122	—	(160,679)	—	(160,679)	—
Public health	7,019,196	578,986	1,744,562	—	(4,695,648)	—	(4,695,648)	—
General government	15,438,654	2,048,581	6,585,884	—	(6,804,189)	—	(6,804,189)	—
Interest on long-term debt	6,091,779	—	—	—	(6,091,779)	—	(6,091,779)	—
Total governmental activities	109,980,930	6,544,325	12,879,224	1,710,649	(88,846,732)	—	(88,846,732)	—
Business-type activities:								
Airport	10,743,883	7,607,357	—	14,115,646	—	10,979,120	10,979,120	—
Sanitary Sewerage System	23,014,259	20,152,667	—	5,985,288	—	3,123,696	3,123,696	—
Refuse Disposal	4,281,482	3,410,861	—	—	—	(870,621)	(870,621)	—
Golf	2,799,059	3,123,203	—	—	—	324,144	324,144	—
Total business-type activities	40,838,683	34,294,088	—	20,100,934	—	13,556,339	13,556,339	—
Total primary government	\$ 150,819,613	40,838,413	12,879,224	21,811,583	(88,846,732)	13,556,339	(75,290,393)	—
Component unit:								
City Utilities	\$ 288,859,000	298,535,000	—	—	—	—	—	9,676,000
General revenues:								
Property taxes					8,388,780	—	8,388,780	—
Sales and use taxes					68,821,730	—	68,821,730	—
Franchise fees					3,108,265	—	3,108,265	—
Room taxes					1,054,809	—	1,054,809	—
Revenues from use of money and property					4,238,274	4,445,609	8,683,883	19,283,000
Other revenue					17,874,139	4,152,740	22,026,879	948,000
Transfers					1,000,176	(1,000,176)	—	—
Total general revenues and transfers					104,486,173	7,598,173	112,084,346	20,231,000
Changes in net assets					15,639,441	21,154,512	36,793,953	29,907,000
Net assets – beginning					135,643,802	237,112,514	372,756,316	696,347,000
Net assets – ending					\$ 151,283,243	258,267,026	409,550,269	726,254,000

See accompanying notes to basic financial statements.



**CITY OF SPRINGFIELD, MISSOURI**

Governmental Funds Balance Sheet

June 30, 2002

Assets	General	Community Development	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 11,108,740	1,244,445	103,690,873	116,044,058
Property taxes receivable (net uncollectible amounts)	—	—	12,717,147	12,717,147
Special assessments receivable	—	—	1,214,387	1,214,387
Restricted cash and cash equivalents	—	—	7,099,381	7,099,381
Accrued interest receivable	228,735	2,417	472,406	703,558
Accounts receivable and unbilled revenue	600,563	—	1,265,226	1,865,789
Inventories	5,905	—	963,668	969,573
Notes and loans receivable, net	—	19,191,104	—	19,191,104
Due from other funds	2,566,939	—	127,816	2,694,755
Due from other government agencies	—	501,631	1,668,324	2,169,955
Total assets	\$ 14,510,882	20,939,597	129,219,228	164,669,707
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable and other current liabilities	\$ 563,268	60,429	5,273,335	5,897,032
Accrued compensated absences	1,120,377	16,596	538,695	1,675,668
Deferred revenue	—	16,614,327	14,001,097	30,615,424
Due to other governments	—	—	1,265,033	1,265,033
Due to other funds	—	—	1,578,948	1,578,948
Anticipation notes payable	—	—	4,100,000	4,100,000
Total liabilities	1,683,645	16,691,352	26,757,108	45,132,105
<b>Fund balances:</b>				
Reserved for:				
Encumbrances	1,455,511	1,362,679	10,040,044	12,858,234
Debt service	—	—	7,099,381	7,099,381
Unreserved:				
Designated for operating reserve	8,302,500	—	—	8,302,500
Designated for retirement payouts	500,000	—	—	500,000
Designated for ERP System	500,000	—	—	500,000
Undesignated	2,069,226	2,885,566	—	4,954,792
Unreserved, reported in nonmajor funds:				
Special revenue funds	—	—	11,819,481	11,819,481
Debt-service funds	—	—	27,722,803	27,722,803
Capital projects funds	—	—	44,279,088	44,279,088
Permanent funds	—	—	1,501,323	1,501,323
Total fund balances	12,827,237	4,248,245	102,462,120	119,537,602
Total liabilities and fund balances	\$ 14,510,882	20,939,597	129,219,228	164,669,707

See accompanying notes to basic financial statements.

# CITY OF SPRINGFIELD, MISSOURI

## Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets

June 30, 2002

Fund balances – total governmental funds		\$ 119,537,602
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Governmental capital assets	\$ 174,859,783	
Less accumulated depreciation	<u>(37,522,764)</u>	
		137,337,019
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as expenditure when due.		(122,526)
Adjustment of deferred revenue		23,277,486
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.		(2,167,377)
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds, net of unamortized premiums/discounts:		(126,887,595)
Unamortized issuance costs on bonds		<u>308,634</u>
Net assets of governmental activities	\$	<u><u>151,283,243</u></u>

See accompanying notes to basic financial statements.

# CITY OF SPRINGFIELD, MISSOURI

## Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances

Year ended June 30, 2002

	General	Community Development	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
<b>Taxes:</b>				
Property	\$ —	—	8,353,310	8,353,310
Sales	35,330,386	—	33,491,344	68,821,730
Franchise	3,108,265	—	—	3,108,265
Room	—	—	1,054,809	1,054,809
Licenses and permits	2,754,099	—	—	2,754,099
Intergovernmental	2,043,425	2,879,877	9,666,571	14,589,873
Charges for services	2,048,581	—	4,495,744	6,544,325
Fines and forfeitures	1,133,461	—	—	1,133,461
Special assessments	—	—	457,012	457,012
Revenues from use of money and property	756,026	—	3,482,248	4,238,274
Payments in lieu of taxes	8,140,047	—	—	8,140,047
Other	223,612	1,495,060	2,942,641	4,661,313
<b>Total revenues</b>	<u>55,537,902</u>	<u>4,374,937</u>	<u>63,943,679</u>	<u>123,856,518</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Public works	6,359,944	—	8,442,611	14,802,555
Public safety	35,134,676	—	9,330,266	44,464,942
Parks and recreation	—	662	12,420,370	12,421,032
Planning and development	864,262	4,418,883	387,317	5,670,462
Public health	—	—	6,853,058	6,853,058
General government	10,622,588	1,353	4,109,566	14,733,507
<b>Debt service:</b>				
Principal	—	—	6,348,582	6,348,582
Interest and other charges	—	—	6,367,713	6,367,713
<b>Capital outlay:</b>				
Public works	—	—	10,639,981	10,639,981
Public safety	—	—	6,717,311	6,717,311
Parks and recreation	—	—	8,740,814	8,740,814
Planning and development	—	—	4,176,556	4,176,556
Public health	—	—	4,646,353	4,646,353
General government	—	—	3,149,002	3,149,002
<b>Total expenditures</b>	<u>52,981,470</u>	<u>4,420,898</u>	<u>92,329,500</u>	<u>149,731,868</u>
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	<u>2,556,432</u>	<u>(45,961)</u>	<u>(28,385,821)</u>	<u>(25,875,350)</u>
<b>Other financing sources (uses):</b>				
Bond proceeds	—	—	26,416,888	26,416,888
Loan proceeds	—	—	4,000,000	4,000,000
Capital lease proceeds	—	—	574,525	574,525
Transfers in	1,300,503	32,239	12,526,767	13,859,509
Transfers out	(5,855,727)	—	(6,275,867)	(12,131,594)
<b>Total other financing sources       and uses</b>	<u>(4,555,224)</u>	<u>32,239</u>	<u>37,242,313</u>	<u>32,719,328</u>
<b>Net change in fund balances</b>	<u>(1,998,792)</u>	<u>(13,722)</u>	<u>8,856,492</u>	<u>6,843,978</u>
<b>Fund balances – beginning</b>	<u>14,826,029</u>	<u>4,261,967</u>	<u>93,605,628</u>	<u>112,693,624</u>
<b>Fund balances – ending</b>	<u>\$ 12,827,237</u>	<u>4,248,245</u>	<u>102,462,120</u>	<u>119,537,602</u>

See accompanying notes to basic financial statements.

# CITY OF SPRINGFIELD, MISSOURI

## Reconciliation of the Change in Fund Balances of Governmental Funds to the Statement of Activities

Net change in fund balances – total governmental funds		\$	6,843,978
Amounts reported for governmental activities in the statement of activities is different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the detail of the amount by which capital outlays exceeded depreciation in the current period.			
Capital outlay	\$	38,070,017	
Depreciation		(5,234,471)	
			<u>32,835,546</u>
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and disposals) is to decrease net assets.			(62,826)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			35,470
The issuance of long-term debt (e.g., bonds, loan, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items.			
Bond, capital lease and loan proceeds		(30,991,415)	
Repayment of principal (bonds, loans, capitalized lease obligations)		6,393,746	
Premiums		61,325	
Issuance cost amortization		(28,500)	
Interest		214,609	
			<u>(24,350,235)</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			1,373,763
Internal service funds are used by management to charge the costs of various activities internally to individual funds. The net expense of certain activities of internal service funds is reported with governmental activities.			<u>(1,036,255)</u>
Change in net assets of governmental activities	\$		<u><u>15,639,441</u></u>

See accompanying notes to basic financial statements.

**CITY OF SPRINGFIELD, MISSOURI**

Proprietary Funds Statement of Net Assets

June 30, 2002

Assets	Enterprise Funds					Internal Service Funds
	Regional Airport	Sanitary Sewerage System	Refuse Disposal	Nonmajor	Total	
Current assets:						
Cash and cash equivalents	\$ 3,435,171	25,124,739	9,624,883	—	38,184,793	697,366
Accrued interest receivable	39,319	334,313	106,863	—	480,495	18,290
Accounts receivable	688,314	1,437,138	—	—	2,125,452	—
Due from other funds	—	—	—	—	—	46,564
Due from other government agencies	—	35,424	—	—	35,424	—
Unbilled revenue	—	939,931	—	—	939,931	—
Inventories	222,822	805,549	137,157	150,744	1,316,272	315,023
Unamortized bond issue costs	79,190	—	—	—	79,190	—
Prepaid expenses	40,115	—	—	—	40,115	—
Total current assets	4,504,931	28,677,094	9,868,903	150,744	43,201,672	1,077,243
Restricted assets:						
Cash and cash equivalents	21,501,526	23,191,413	—	569,776	45,262,715	—
Other	1,698,779	1,827,180	—	—	3,525,959	—
Total restricted assets	23,200,305	25,018,593	—	569,776	48,788,674	—
Property, plant, and equipment:						
Land and easements	7,401,874	1,035,643	1,948,908	380,661	10,767,086	23,614
Buildings	27,670,309	62,301,315	921,576	575,225	91,468,425	1,042,726
Collection system	—	191,745,823	—	—	191,745,823	—
Improvements other than buildings	39,965,911	9,459,873	9,473,814	7,541,400	66,440,998	237,818
Machinery and equipment	7,289,890	4,155,219	5,621,155	946,834	18,013,098	238,204
	82,327,984	268,697,873	17,965,453	9,444,120	378,435,430	1,542,362
Less accumulated depreciation	(32,396,844)	(100,534,981)	(7,464,019)	(2,822,717)	(143,218,561)	(1,331,264)
	49,931,140	168,162,892	10,501,434	6,621,403	235,216,869	211,098
Construction in progress	28,610,739	10,218,965	464,997	—	39,294,701	12,630
Total property, plant, and equipment	78,541,879	178,381,857	10,966,431	6,621,403	274,511,570	223,728
Total assets	\$ 106,247,115	232,077,544	20,835,334	7,341,923	366,501,916	1,300,971

See accompanying notes to basic financial statements.

**CITY OF SPRINGFIELD, MISSOURI**

Proprietary Funds Statement of Net Assets

June 30, 2002

Liabilities and Net Assets	Enterprise Funds					Internal Service Funds
	Regional Airport	Sanitary Sewerage System	Refuse Disposal	Nonmajor	Total	
Current liabilities:						
Accounts payable	\$ 293,185	509,087	168,167	62,755	1,033,194	144,798
Retainages payable	1,990	23,086	10,626	—	35,702	—
Accrued compensated absences	58,771	125,151	25,273	12,178	221,373	40,209
Due to other funds	—	—	—	1,094,341	1,094,341	21,467
Accrued interest payable	—	—	—	6,387	6,387	—
Deferred revenue	142,688	—	—	—	142,688	—
Estimated liability for incurred but unreported claims	—	—	—	—	—	3,300,000
Current maturities of long-term debt	9,095,100	3,526,292	—	298,048	12,919,440	—
Total current liabilities	9,591,734	4,183,616	204,066	1,473,709	15,453,125	3,506,474
Liabilities payable from restricted assets	1,948,768	1,785,675	—	28,397	3,762,840	—
Long-term debt, less current maturities:						
Revenue bonds payable, net	4,903,814	29,135,272	—	2,905,969	36,945,055	—
Notes and capitalized lease obligations payable	22,515,100	13,635,772	—	—	36,150,872	—
Accrued landfill closure/postclosure care costs	—	—	14,330,845	—	14,330,845	—
Accrued compensated absences	401,160	771,448	163,250	80,965	1,416,823	107,204
Accrued claims and judgments	—	—	30,000	—	30,000	—
Total long-term debt	27,820,074	43,542,492	14,524,095	2,986,934	88,873,595	107,204
Total liabilities	39,360,576	49,511,783	14,728,161	4,489,040	108,089,560	3,613,678
Net assets:						
Investment in capital assets, net of related debt	42,027,865	132,084,521	10,966,431	3,417,386	188,496,203	223,728
Restricted for debt service	21,251,537	23,232,918	—	541,379	45,025,834	—
Unrestricted	3,607,137	27,248,322	(4,859,258)	(1,105,882)	24,890,319	(2,536,435)
Total net assets	\$ 66,886,539	182,565,761	6,107,173	2,852,883	258,412,356	(2,312,707)
Some of the amounts reported for business-type activities in the statement of net assets are different because certain internal service fund assets and liabilities are included with business-type activities					(145,330)	
Net assets of business-type activities					\$ 258,267,026	

See accompanying notes to basic financial statements.

**CITY OF SPRINGFIELD, MISSOURI**

Proprietary Funds Statement of Revenues, Expenses and Changes in Fund Net Assets

Year ended June 30, 2002

	Enterprise Funds					Internal Service Funds
	Regional Airport	Sanitary Sewerage System	Refuse Disposal	Nonmajor	Total	
Operating revenues:						
Sewer service charges	\$ —	19,332,235	—	—	19,332,235	—
Sewer connection charges	—	570,432	—	—	570,432	—
Sale of fuel and oil	2,228,630	—	—	—	2,228,630	—
Flight fees, airport facility rental and other charges	5,005,805	—	—	—	5,005,805	—
Golf course fees	—	—	—	3,123,203	3,123,203	—
Landfill charges	—	—	3,410,861	—	3,410,861	—
Billings to departments	—	—	—	—	—	3,662,905
Contributions – city and employee	—	—	—	—	—	7,615,989
Other	372,922	250,000	—	—	622,922	8,417
<b>Total operating revenues</b>	<b>7,607,357</b>	<b>20,152,667</b>	<b>3,410,861</b>	<b>3,123,203</b>	<b>34,294,088</b>	<b>11,287,311</b>
Operating expenses:						
Personnel services	3,021,511	4,688,082	1,464,593	1,180,978	10,355,164	1,250,832
Other services	1,158,340	4,389,090	1,627,178	394,716	7,569,324	9,970,287
Supplies	1,581,703	1,678,802	325,451	633,224	4,219,180	1,155,100
Other expenses	—	2,121,666	25,641	—	2,147,307	62,138
Depreciation and amortization	3,005,646	6,651,647	788,429	397,441	10,843,163	73,541
<b>Total operating expenses</b>	<b>8,767,200</b>	<b>19,529,287</b>	<b>4,231,292</b>	<b>2,606,359</b>	<b>35,134,138</b>	<b>12,511,898</b>
<b>Operating income (loss)</b>	<b>(1,159,843)</b>	<b>623,380</b>	<b>(820,431)</b>	<b>516,844</b>	<b>(840,050)</b>	<b>(1,224,587)</b>
Nonoperating revenues (expenses):						
Interest	1,420,881	2,686,060	318,819	19,849	4,445,609	43,002
Interest on long-term debt	(1,839,808)	(3,162,781)	—	(174,704)	(5,177,293)	—
Administrative fees and other debt charges	(110,118)	(243,647)	—	(2,663)	(356,428)	—
Gain from sale of fixed assets	796,954	5,085	17,832	(200)	819,671	—
Claims and settlements	—	2,069,426	—	—	2,069,426	—
Passenger facility charges	1,194,846	—	—	—	1,194,846	—
Other nonoperating income	46,707	21,890	(25,294)	—	43,303	—
<b>Total nonoperating revenues (expenses)</b>	<b>1,509,462</b>	<b>1,376,033</b>	<b>311,357</b>	<b>(157,718)</b>	<b>3,039,134</b>	<b>43,002</b>
<b>Income (loss) before contributions and transfers</b>	<b>349,619</b>	<b>1,999,413</b>	<b>(509,074)</b>	<b>359,126</b>	<b>2,199,084</b>	<b>(1,181,585)</b>
Contributions and grants	14,115,646	5,985,288	—	—	20,100,934	—
Operating transfers out	(55,000)	(886,305)	(43,154)	(15,717)	(1,000,176)	—
<b>Change in net assets</b>	<b>14,410,265</b>	<b>7,098,396</b>	<b>(552,228)</b>	<b>343,409</b>	<b>21,299,842</b>	<b>(1,181,585)</b>
Total net assets – beginning:						
Beginning of year	52,476,274	175,467,365	6,659,401	2,509,474	237,112,514	(1,131,122)
<b>Net assets, end of year</b>	<b>\$ 66,886,539</b>	<b>182,565,761</b>	<b>6,107,173</b>	<b>2,852,883</b>	<b>258,412,356</b>	<b>(2,312,707)</b>
Some of the amounts reported for business-type activities in the statement of activities are different because of the net revenue (expense) of certain internal service funds is reported with business-type activities.					(145,330)	
<b>Change in net assets of business-type activities</b>					<b>\$ 21,154,512</b>	

See accompanying notes to basic financial statements.

**CITY OF SPRINGFIELD, MISSOURI**  
**Proprietary Funds Statement of Cash Flows**  
**Year ended June 30, 2002**

	<b>Enterprise Funds</b>					<b>Internal Service Funds</b>
	<b>Regional Airport</b>	<b>Sanitary Sewerage System</b>	<b>Refuse Disposal</b>	<b>Nonmajor</b>	<b>Total</b>	
Cash flows from operating activities:						
Cash received from customers	\$ 7,839,312	20,192,922	3,410,861	3,123,203	34,566,298	11,287,312
Cash paid to suppliers	(2,749,292)	(7,854,824)	(1,281,718)	(995,843)	(12,881,677)	(10,285,881)
Cash paid to employees	(2,972,311)	(4,770,791)	(1,304,457)	(1,342,155)	(10,389,714)	(1,248,407)
Other cash paid for nonoperating expenses	(63,411)	1,692,918	(45,294)	(2,663)	1,581,550	—
Net cash provided (used) by operating activities	2,054,298	9,260,225	779,392	782,542	12,876,457	(246,976)
Cash flows from noncapital financing activities:						
Operating transfers out	(55,000)	(886,305)	(43,154)	(15,717)	(1,000,176)	—
Net cash provided by (used in) noncapital financing activities	(55,000)	(886,305)	(43,154)	(15,717)	(1,000,176)	—
Cash flows from capital and related financing activities:						
Principal payments on long-term debt	(7,560,000)	(3,732,277)	—	(281,748)	(11,574,025)	—
Proceeds from issuance of long-term debt	1,645,200	—	—	—	1,645,200	—
Interest paid on long-term debt obligations	(1,780,764)	(3,162,781)	—	(161,855)	(5,105,400)	—
Additions to property, plant, and equipment	(30,050,341)	(12,354,490)	(1,037,628)	(250,835)	(43,693,294)	(23,340)
(Increase) decrease in other restricted assets	1,813,783	(488,435)	—	—	1,325,348	—
Increase (decrease) in payables from restricted assets	(579,425)	(117,375)	—	(3,614)	(700,414)	—
Capital contributions	14,115,646	5,985,288	—	—	20,100,934	—
Passenger facility charges	1,194,846	—	—	—	1,194,846	—
Proceeds from sale of fixed assets	796,954	5,085	17,832	(200)	819,671	—
Net cash provided by (used in) capital and related financing activities	(20,404,101)	(13,864,985)	(1,019,796)	(698,252)	(35,987,134)	(23,340)
Cash flows from investing activities:						
Interest received	1,451,269	2,858,393	365,966	—	4,675,628	42,587
Net cash provided by investing activities	1,451,269	2,858,393	365,966	—	4,675,628	42,587
Net increase (decrease) in cash and cash equivalents	(16,953,534)	(2,632,672)	82,408	68,573	(19,435,225)	(227,729)
Cash and cash equivalents, beginning of year	41,890,231	50,948,824	9,542,475	501,203	102,882,733	925,095
Cash and cash equivalents, end of year	\$ 24,936,697	48,316,152	9,624,883	569,776	83,447,508	697,366
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (1,159,843)	623,380	(820,431)	516,844	(840,050)	(1,224,587)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation and amortization	3,005,646	6,651,647	788,429	397,441	10,843,163	73,541
Other nonoperating expenses	(63,411)	1,847,669	(25,294)	(2,663)	1,756,301	—
(Increase) decrease in:						
Inventories	(2,206)	63,476	(6,873)	45,235	99,632	17,635
Accounts receivable	249,332	(60,960)	—	—	188,372	14,715
Due from other government agencies	—	113,626	—	—	113,626	—
Due from other funds	—	—	—	—	—	(3,032)
Unbilled revenue	—	(12,411)	—	—	(12,411)	—
Prepaid expenses	(15,359)	175,249	—	—	159,890	—
Increase (decrease) in:						
Accounts payable	12,760	119,195	33,770	(13,138)	152,587	(4,106)
Retainage payable	(4,444)	(6,331)	10,626	—	(149)	—
Deferred revenues	(17,377)	—	—	—	(17,377)	—
Due to other funds	—	—	—	(171,990)	(171,990)	(23,568)
Accrued landfill closure/postclosure care costs	—	—	793,756	—	793,756	—
Estimated liability for incurred but unreported claims	—	—	—	—	—	900,000
Accrued claims and judgments	—	(330,000)	(20,000)	—	(350,000)	—
Accrued compensated absences	49,200	75,685	25,409	10,813	161,107	2,426
Total adjustments	3,214,141	8,636,845	1,599,823	265,698	13,716,507	977,611
Net cash provided by operating activities	\$ 2,054,298	9,260,225	779,392	782,542	12,876,457	(246,976)

See accompanying notes to basic financial statements.



**CITY OF SPRINGFIELD, MISSOURI**  
**Fiduciary Funds Statement of Fiduciary Net Assets**  
June 30, 2002

<b>Assets</b>	<b>Pension Trust</b>	<b>Agency Funds</b>
Cash and short-term investments	\$ 296,077	5,787,262
Investments, at fair value:		
US Government Securities	35,009,835	—
Corporate and Foreign Bonds	29,094,455	—
Corporate and Foreign Stocks	42,241,128	—
Temporary investments	4,906,590	—
Property taxes receivable:		
Current	—	8,061,836
Delinquent	—	249,401
	—	8,311,237
Less allowance for uncollectible amounts	—	(165,309)
Net property taxes receivable	—	8,145,928
Accounts receivable	—	253,365
Accrued interest receivable	326,973	9,967
Due from other governments	—	42,769
Due from other funds	300,595	—
Total assets	<u>\$ 112,175,653</u>	<u>14,239,291</u>
<b>Liabilities</b>		
Accounts payable	\$ 20,717	4,301,695
Accrued interest payable	—	12,398
Due to other funds	—	347,158
Due to other governments	—	8,029,365
Notes payable	—	750,331
Escrows payable	—	711,286
Municipal court bond deposits	—	87,058
Total liabilities	20,717	<u>14,239,291</u>
<b>Net assets</b>		
Held in trust for pension benefits and other purposes	<u>\$ 112,154,936</u>	

See accompanying notes to basic financial statements.

# **CITY OF SPRINGFIELD, MISSOURI**

## **Fiduciary Funds Statement of Changes in Fiduciary Net Assets**

Year ended June 30, 2002

	<b>Pension Trust</b>
<b>Additions:</b>	
<b>Contributions:</b>	
Employer	\$ 4,493,908
Plan members	2,411,510
Licenses and Permits	—
Private donations	—
Total contributions	<u>6,905,418</u>
Taxes	—
<b>Investment earnings:</b>	
Interest and dividends	2,984,603
Net increase (decrease) in the fair value of investments	<u>(8,081,188)</u>
Total investment earnings (loss)	<u>(5,096,585)</u>
Less investment expense	<u>(789,496)</u>
Net investment earnings	<u>(5,886,081)</u>
Total additions	<u>1,019,337</u>
<b>Deductions:</b>	
Benefits	9,303,428
Refunds of contributions	734,685
Administrative expenses	26,453
Transfer to other funds	—
Total deductions	<u>10,064,566</u>
Change in net assets	<u>(9,045,229)</u>
Net assets – beginning	<u>121,200,165</u>
Net assets – ending	<u><u>\$ 112,154,936</u></u>

See accompanying notes to basic financial statements.